

December, 2012



POLICE AND FIREFIGHTERS' PENSION BOARD
REGULAR BOARD MEETING
WEDNESDAY, DECEMBER 12, 2012, 12:30 P.M.

Present

Michael Dew, Chair
Ken Rudominer, Vice Chair
Richard Fortunato, Secretary (arr. 12:35)
J. Scott Bayne, Trustee
Jeff Cameron, Trustee
Dennis Hole, Trustee
Jim Naugle, Trustee
Steve Cypen, Cypen & Cypen, Board Attorney
Lynn Wenguer, Administrator

Also Present

Amanda Cintron, Assistant Administrator
Laurie DeZayas, Pension Secretary
Douglas R. Wood, Finance Director
John Herbst, City Auditor
Kevin Schmid, CapTrust
Phil Dever, Lee Munder Capital Group
Todd Vingers, Lee Munder Capital Group
Lisa Edmondson, Recording Secretary, Prototype, Inc.

Walt Courtney, President, Retirees' Association
Fred Nesbitt, Director of Media Relations
Jack Cann, Retirees' Association
Bill Paton, Retirees' Association
George Farrell, Retirees' Association
Rick Schulze, Retirees' Association
Frank Colleran, Retirees' Association
Linda Soloman-Duffey, Retirees' Association
Paul DeBold, Retirees' Association
Fuzzy Larkin, Retirees' Association

Communications to City Commission

The Plan has received an award from the Public Pension Coordinating Council (PPCC) for the third year in a row.

Board members, including Chair Michael Dew and Vice Chair Ken Rudominer, are planning to attend the next meeting of the City's Budget Advisory Board, scheduled for January 16, 2013.

Pursuant to authority of Ordinance C-00-34, Article II, this regular meeting of the Police & Firefighters' Pension Board convened at 12:30 P.M., Wednesday, December 12, 2012, in the Pension Board Conference Room, 888 S. Andrews Avenue, Suite 202, Ft. Lauderdale, Florida 33316.

Pledge of Allegiance / Moment of Silence

Chair Dew called the meeting to order at 12:30 p.m. All present recited the Pledge of Allegiance and observed a moment of silence. Roll was called.

Chair Dew recognized Douglas R. Wood, John Herbst, and Walt Courtney for their assistance, input, and support to the Board during the past year. He briefly reviewed some of the Board's accomplishments during 2012, including assistance with the pension obligation bond, the retirement seminar, the selection of a new software

provider, the receipt of the Public Pension Coordinating Council (PPCC) award, and changing the terms of Trustees from two to four years. He thanked Mr. Nesbitt for his work on the successful newsletter.

MINUTES: Regular Meeting: November 5, 2012

Motion made by Mr. Naugle, seconded by Vice Chair Rudominer, for the waiving of the reading of the regular minutes for November 5, 2012 [as corrected].

Mr. Hole noted the following corrections:

P. 7: the Board adopted Friday, October 26, 2012 as the day on which final nominations for the seventh seat were closed;

P. 8, paragraph 6: change “to a member of the City’s” to “for a member of the City’s;” also, change “professional employee” to “confidential employee.”

In a voice vote, the motion passed unanimously.

Mr. Fortunato arrived at 12:35 p.m.

Motion made by Vice Chair Rudominer, seconded by Mr. Hole, for the waiving of the [reading of the] minutes for the Actuary RFP Committee meeting for December 4, 2012. In a voice vote, the motion passed unanimously.

BENEFITS:

Police Department:

New Retiree:	John D. Dale
	Stephen E. Kinsey
DROP Retiree:	Duval Madrigal
Vesting:	Alexander Belfield
	Michael DiMaggio
New Beneficiary:	Elizabeth Diehl

Fire Department:

Retiree Death:	James Chovan
New Beneficiary:	Margaret Stempel

Motion made by Mr. Bayne, seconded by Mr. Hole, for the approval of the benefits for the Police and Fire Departments. In a voice vote, the motion passed unanimously.

BILLS:

Milliman	\$36,250.00
Agincourt	\$45,584.91
Prudential	\$42,491.56
Eagle	\$39,428.99
Klausner, Kaufman	\$2,450.00
Cornel J. Lupu, MD	\$1,800.00
Ellen Schaffer	\$287.50
Holland & Knight	\$150.00
Holland & Knight	\$425.00
Nyhart	\$4,352.00

Motion made by Mr. Hole, seconded by Mr. Cameron, to approve the payment of the bills as documented.

Mr. Hole asked why the November 28 statement from Holland & Knight reflected outstanding charges from August and September. Ms. Wenguer explained that these payments are not outstanding, but have been approved and are in process. Ms. DeZayas advised that these payments may not have shown up as being deposited thus far.

Ms. Wenguer clarified that the \$150 bill is dated November 13, while the \$425 bill is dated November 28. The outstanding bill from August 31 that is being contested with Holland & Knight.

Mr. Hole requested clarification of the \$4,352 bill from Nyhart. Ms. Wenguer replied that \$3,000 of this total was the amount the Board had agreed to pay toward the actuarial study for the pension obligation bond; the remaining \$1,352 was broken down on p.35 of the Board's information packet.

Chair Dew referred to p.24 of the information, which referred to Prudential. He asked if the performance-based and cash management fees have changed. Ms. Wenguer advised that this is part of Prudential's contract, and the fee is typical for a real estate or hedge fund.

Chair Dew also asked if the Ellen Schaffer fee would remain once the Milliman software is up and running. Ms. Wenguer said these systems would run simultaneously throughout 2013, after which time Ms. Schaffer's system will no longer be used.

In a voice vote, the motion passed unanimously.

INPUT FROM ACTIVE & RETIRED POLICE OFFICERS AND FIREFIGHTERS:

Walt Courtney, President of the Retirees' Association, thanked the Board and Staff for their help over the past year. He asked for an update on some of the items that were sent to Klausner & Kaufman, including the request made by retiree Frank Colleran, the remarriage clause, and percentages.

Chair Dew said Mr. Colleran's issue is related to a pending court decision, and the Board's attorneys are awaiting the resolution of this case. With regard to the remarriage clause, the Board has received correspondence from Assistant City Attorney Bob Dunckel, which states that the Board needs to have a new actuary assumption cost calculation, as this calculation may have changed due to the pension obligation bond Ordinance.

Mr. Cypen explained that the City had included a covenant in this Ordinance that states no new benefits may be issued, as this could eat into the funds available through the Ordinance. Mr. Herbst added that the City would like the actuary to refer to the specific language included in the Ordinance in his response. Ms. Wenguer said the letter from Assistant City Attorney Dunckel was also sent to Board actuary Randall Stanley.

Mr. Courtney requested clarification of the covenant, asking if this language meant there could be no additional benefits. Mr. Herbst replied that retirees may receive a cost of living adjustment (COLA), or other benefit enhancements, in the future; however, this would require the actuarial value of these enhancements to be fully funded, with a majority plus one vote of the City Commission. If the enhancements are not fully funded, the City Commission's vote must be unanimous. This would prevent the addition of any future COLA as an unfunded liability, as the intent of the pension obligation bond is to eliminate the unfunded liability. Mr. Cypen clarified that this requirement was not a change to the Ordinance, but was part of the bond covenant.

Chair Dew requested that copies of the letter and other related materials be provided to Mr. Courtney for review.

CAPTRUST: Monthly Investment Review Kevin Schmid

Mr. Schmid stated that the third and final installment of the allocation of pension obligation bond funds has been completed. While final figures for the fourth quarter are not yet available, he advised that the decision to stagger the allocation of these funds appears to have worked well, based upon the performance of the stock market thus far in the fourth quarter. All funds have been invested as planned, with the exception of real estate, which has not yet been called up.

He noted that the CEO of Intech has left that firm. CapTrust is still investigating this change at present; Mr. Schmid advised that if they are not satisfied with Intech's management changes, the Plan may take further steps toward active indexing for large cap managers.

LEE MUNDER: Investment Update

Phil Dever of Lee Munder Capital Group (LMCG) showed the Board a PowerPoint presentation and distributed materials to the members. He stated that LMCG has \$5 billion under management, with small and mid cap assets

comprising roughly half of this total value.

Todd Vingers, lead portfolio manager for the Plan, said LMCG prefers good cash flow and return of capital over finding growth stocks; he characterized their strategy as waiting for good companies to make errors that result in their stocks going "on sale." The current market is a challenging environment for value managers like LMCG, as many investors are seeking extreme safety; this results in value managers lagging behind growth-oriented managers with regard to meeting benchmarks.

Mr. Vingers continued that since 2006, longer-term figures have been strong for LMCG, with the recent six months representing something of a struggle for them. In 2012, LMCG has made strong stock selections in areas such as health care, industrials, and consumer staples, which are tied to employment levels but are not entirely dependent upon economic recovery.

He acknowledged that LMCG was below their benchmark in 2012 by roughly 130 basis points. Contributing factors to this performance include the fact that financials are underweight to the real estate transaction standard (RETS), which continue to perform well; however, LMCG feels RETS are very expensive when compared to the broad stock market, with little risk/reward.

Another reason for the lag during 2012 is energy, as some of the stocks selected by LMCG have missed their production estimates. There are currently no valuations for these stocks. He concluded that the 2012 market has not rewarded the types of companies in which LMCG invests until their performance has been proven.

Mr. Vingers advised that LMCG is presently underweight in financials, as previously noted, and overweight in industrials, such as business service companies. They continue to seek company-specific risk/reward value.

Vice Chair Rudominer advised that the Plan has only recently moved into the mid cap space, and requested clarification of the difference between small and mid cap. Mr. Vingers replied that small cap is defined as \$3 billion or less, with mid cap between \$1.5 billion to \$17 billion. Mid cap companies are significantly larger, with an average benchmark of \$7 billion. Mr. Vingers estimated that LMCG includes roughly 100 companies in small cap and 70 in mid cap, with approximately 20 firms that are within an overlap area between the two classes.

Chair Dew asked if Mr. Vingers could elaborate on why an active manager, such as LMCG, would be more advantageous than an index manager. Mr. Vingers said indexing makes better sense with respect to large cap managers, where it is difficult to outperform a benchmark; however, the average small cap manager can typically outperform benchmarks sufficiently well for there to be no reason to switch to indexing. He recommended against indexing small cap managers.

Chair Dew observed that if a heavily weighted sector depends on a specific company, that company can dictate the index; however, if this company underperforms, the result can be a negative for the entire area. Mr. Vingers said the weights are not as large for small cap companies, so the impact of a single company is less likely to have a great impact on the entire sector.

The Board members thanked the LMCG team for their presentation.

Chair Dew referred the members to a letter in the information packet dated November 28, 2012, which invited the Board to attend an upcoming meeting of the City's Budget Advisory Board. He stated that Board members should attend if possible.

Mr. Naugle commented that the meeting may provide an opportunity for the Board of Trustees to explain what they do, and the processes they follow, to the Budget Advisory Board. Chair Dew agreed, and recommended that any members who attend this meeting should be prepared to answer questions about the Board's work.

Ms. Wenguer advised that the letter of invitation also asks that the Board provide copies of their returns, money manager performance, and other materials that are a matter of public record. Chair Dew said when a similar request was made in the past, Mr. Schmid and Steve Schott of CapTrust had provided a written response.

Chair Dew and Vice Chair Rudominer stated that they planned to attend the Budget Advisory Board meeting. Mr. Schmid added that if his schedule permitted, he would also be glad to attend. He recalled that the written response submitted earlier in the year had addressed a presentation that argued the merits of indexing. He asserted that while CapTrust felt active managers add value over the long term, the accompanying cost to this strategy often frequently consists of periods of short- and intermediate-term underperformance.

Chair Dew requested that Mr. Schmidt attend the Budget Advisory Board meeting if possible, noting that the meeting will be January 16, 2013 from 6 p.m. to 8 p.m.

COMMUNICATION DIRECTOR'S REPORT:

Mr. Nesbitt stated that the Plan is one of approximately 40 systems out of 2500 to receive the PPCC Award in 2012. He advised that this information will be shared with the City.

ADMINISTRATOR'S REPORT:

Actuary RFPs

Ms. Wenguer reported that the RFP Committee has narrowed the short list to four prospective actuaries they would like to interview at the Board's January meeting. It was noted that Nyhart was not included on this short list.

Mr. Cypen observed that the firms' contracts are being examined in advance; if they do not meet the Board's criteria, these firms will not be interviewed. Chair Dew explained that in order to expedite the process, Mr. Cypen and Ms. Bieler have been asked to review these contracts to ensure there are no dealbreakers. This will allow the Board to proceed more quickly once they have made a decision on the actuary. He added that he has also made reference checks, which will be provided at the January meeting.

Mr. Hole stated he did not agree with not inviting Nyhart to this meeting, as there are ongoing issues he would like to address with this firm. Ms. Wenguer said Mr. Stanley plans to remain with the firm for the remaining 18 months of this contract, during which time he would continue to be part of the Board's actuary team if they wished.

Mr. Hole advised that one issue with Nyhart was the lack of receipt of information in a timely fashion. He wanted to make sure that Nyhart was responsible for this issue rather than the City; in addition, he felt that because Mr. Stanley has been the Board's actuary for the past 11 years, they should extend the firm this courtesy.

Chair Dew pointed out that the Board has considered replacing Nyhart as actuary for several reasons, including a lack of performance and customer service. Chair Dew concluded that it could be potentially embarrassing for Nyhart if these and other issues were raised in an interview. Mr. Hole asserted that he did not mind addressing these issues. It was decided that Nyhart would be invited to the January meeting as well.

Ms. Wenguer noted that Nyhart's contract will expire on December 31, 2012, once the 2011 actuarial evaluation has been completed. While this contract is renewable at will, she observed that the Board does not presently have a contract for the next actuarial evaluation.

Chair Dew suggested that in the interest of time, the five actuarial candidates might be interviewed over the course of two separate meetings. It was decided that the January 9, 2013 Board meeting would begin at 11:00 a.m., with Board business to be conducted prior to the interviews.

2013 Budget

Ms. Wenguer advised that the budget provided to the members only reflects expenses through August 2012, as the City has not yet posted its September budget. She added that one change is a reduction of the software upgrade cost from \$163,000 to \$121,500. This is because the bill from Milliman was submitted later than expected. The cost will not exceed the original estimate of \$200,000 for the upgrade.

Chair Dew asked why custodial fees had increased significantly. Ms. Wenguer explained that this was because the fund has increased due to the infusion of pension obligation funds.

Motion made by Mr. Fortunato, seconded by Mr. Cameron, to approve the budget as amended per [Ms. Wenguer's] comments on the software upgrade. In a voice vote, the motion passed unanimously.

Service Provider Evaluations and Timeline

Ms. Wenguer observed that the next provider to be discussed after the actuary would be the Board's attorney. She asked if the Board wanted each member to provide an evaluation of each service provider. Mr. Bayne agreed that this was the original intent. It was determined that the review form would be provided to members in January.

Office Staff Salaries / Reviews

Ms. Wenguer recalled that there had been questions regarding Ms. DeZayas's job classification at the November meeting. She stated that this job description was provided in the members' information packets. Chair Dew recalled that the first job description was issued when Ms. DeZayas was hired; it was then reviewed and updated after Ms. Cintron was hired in order to provide a more accurate reflection of Ms. DeZayas's job.

Mr. Bayne asked if employees were given copies of updated job descriptions. Ms. Wenguer advised that she had worked with Ms. DeZayas and Ms. Cintron to create the updated description.

Ms. Wenguer also recalled that there had been questions regarding how the pay scale was developed. She explained that no specific pay scale was used: at the time Ms. DeZayas was hired, eight years ago, there must have been a similar City position to which her position was matched. Ms. Wenguer concluded that raises were given on an ad hoc basis, although she noted that these were comparable to raises given by the City.

Mr. Hole recalled that he had requested comparison of this position to the positions held by other pension boards' staff. Ms. Wenguer replied that she had reached out to other boards to ask how their positions and salaries were determined: she had learned that every city's board and staff are completely different from one another, with separate pay scales and pay grades. Most cities do not have a pension secretary.

Mr. Hole asked if the general employees of nearby cities, such as Pompano or Hollywood, have "stand-alone" offices to which the Plan could be compared. Ms. Wenguer said it is not possible to compare personnel working for these plans with Plan staff, as Fort Lauderdale's staff is significantly smaller.

Mr. Bayne recalled that when the discussion of salaries began, there had been requests for information on the Administrator's and staff salaries, as well as the Administrator's benefits. He commented that the Administrators contract include total compensation rather than salaries only. Chair Dew pointed out that he had discussed the staff positions with the City's Human Resources department in order to determine if there were comparable job descriptions within the City; the City had provided current salary information on the position of Clerk/Typist II. He agreed that there is no comparison between other pension plan staff offices and the descriptions and responsibilities held by Fort Lauderdale Pension Plan Staff.

Ms. Wenguer observed that if it is the Board's intent to develop a salary scale similar to that used by the City, the Board will need to determine exactly what they are looking for, such as a set scale for all employees, including raises and reviews.

Mr. Hole commented that he had only been interested in knowing what benefits were available to Staff, as well as the existence of job descriptions and an employee handbook, rather than considering a full salary scale. Chair Dew said he had understood the request to be for more comprehensive information. Mr. Hole stated that a salary scale would not show that all employees are being paid fairly according to comparisons with other plans or with the City, which was his concern. Chair Dew advised that the salary scale and job descriptions provide this information.

Mr. Hole asked how the City's Clerk/Typist II position compared to Ms. DeZayas's position. Ms. Wenguer referred the members to base salary information provided for this position. She noted that there are no Clerk/Typist positions that are not confidential positions. Other benefits accompanying this position are included in the City's Policies and Procedures Manual. Ms. Wenguer said Staff is still working to determine the benefits to be included in the handbook for Plan employees, which is currently being developed.

Chair Dew stated he had concerns related to the evaluation and related compensation of Staff: under the previous system, Ms. Wenguer would perform the evaluations and the Chair would review these evaluations and agree or disagree with them. Chair Dew said his concern was related to the possibility of taking corrective measures. He pointed out if employees' evaluations and salaries were to be reviewed by the Board as a matter of public record, this could lead to discussions of deficiencies and corrective action in a public setting as well.

Mr. Hole stated that his understanding was Ms. Wenguer would make recommendations with regard to Staff evaluations, which would then be approved by the Board. Chair Dew explained that if a recommendation is made by Ms. Wenguer, a Board member may take issue with that recommendation, which could lead to a discussion of an individual deficiency. He asserted that he hoped to avoid any embarrassment to any Staff member, and was concerned that this could occur if evaluations were discussed by the Board.

Ms. Wenguer advised that after the November meeting, when it was determined that discussions of Staff reviews and increases would come before the Board, she and Staff had agreed that this was not an appropriate format. She noted that this method would also be contrary to the manner in which Staff members are told their reviews would happen. She concluded that Staff was comfortable with a system in which Ms. Wenguer would make recommendations and let the Board members know what the employees' increases would be. She advised that other administrators had informed her they handle discussions of pay increases and let their boards know what these increases will be as a courtesy.

She continued that if the employees are unhappy with their evaluations, they may come before the Board to discuss the issue. Information regarding salary increases could be provided to the Board members as part of the Administrator's report.

Mr. Bayne recalled that the conversation at a previous meeting had focused on approving these decisions at the Board level rather than having them remain between the Administrator and any individual Trustee. He advised that he did not feel there would be an issue if the decisions on reviews were made by Ms. Wenguer and then passed on to the Board as a courtesy.

Mr. Hole advised that at one time, there had been an attempt to have Staff positions mirror similar positions available with the City; the intent of the discussion had been to ensure that the Plan had not fallen significantly behind the City by comparison. He added that he also agreed with Mr. Bayne's comment that if one member of the Board is allowed to be part of the decision-making process, all members should be allowed to participate; at the same time, he had not intended to suggest the Board review the performance evaluations of Staff.

Mr. Rudominer suggested that the Administrator's job description could be modified to include the requirement that the Administrator would ensure that the Aide's and Assistant Administrator's salaries were competitive with similar City positions.

Mr. Hole added that if there are negative comments to be made regarding Staff members, he would like to be made aware of these comments. Chair Dew replied that while this could be done, it would be more appropriate to do so on an individual basis rather than in a Board meeting.

Ms. Wenguer pointed out that there are very few negatives to be noted with regard to the current Office Staff. She requested that a motion made at the November meeting, through which the Board had voted to have all reviews and increases brought before the Board, be changed to allow the Administrator to perform evaluations and grant increases, while notifying the Board of these recommendations or bringing the increases to the members for approval.

Motion made by Mr. Rudominer, seconded by Mr. Naugle, to authorize and direct the Administrator to analyze rate and set the salaries and the raises and other benefits for her employees, and advise the Board after it is done.

Mr. Hole stated that he did not agree with the motion, as he felt these items should come before the Board for approval or denial, as voted at the November meeting.

Chair Dew stated that he also felt a member of the Board should approve salaries and benefits as part of the Board's fiduciary responsibility. Mr. Naugle pointed out that this is done through the Board's approval of its budget, as salary increases are included in the budget. Mr. Bayne asserted that this was not the case, as the Plan did not always have an Assistant Pension Administrator in the budget; the payroll budget was increased during the time period before this position was added.

It was asked if the Board has the ability to go into Executive Session for discussion of certain items. Mr. Cypen clarified that Executive Session may not be used to discuss personnel.

Mr. Hole recommended that the Board try the system they had voted into place at the November meeting until the handbook is completed, which is estimated to occur in March 2013.

Ms. Wenguer suggested that if she recommended an increase of more than 5%, it would require Board approval. Chair Dew stated that the motion on the floor required a vote before any further changes could be made to the proposal.

In a roll call vote, the motion failed 3-4 (Mr. Bayne, Chair Dew, Mr. Fortunato, and Mr. Hole dissenting).

Motion made by Mr. Bayne that the Plan Administrator will do the review [and] bring it to the Board for approval along with the merit increase.

It was clarified that this is the current procedure adopted by the Board at the November meeting. Mr. Bayne withdrew his motion.

Mr. Hole observed that it would not be necessary to bring reviews before the Board; however, because salary increases constitute an expense to the Plan, he felt these should require Board approval or denial. Ms. Wenguer stated that she would not be comfortable making all Staff reviews a matter of public record as part of a general meeting.

It was asked whether the hiring and/or termination of an employee was the Administrator's job or subject to Board review. Ms. Wenguer recalled that in the case of Ms. Cintron, for example, a committee comprised of herself and Chair Dew had made this hiring decision at the Board's direction.

Motion made by Vice Chair Rudominer, seconded by Mr. Fortunato, for allowing [Ms. Wenguer] to be able to do her job and make the reviews up to a [more than] 5% [increase] and then advise the Board of her actions.

It was clarified that this meant any increase greater than 5% would require Board approval; any increase below 5% would not require approval, although the Administrator would inform the Board of these increases.

In a voice vote, the motion passed unanimously.

Trustee Elections

Ms. Wenguer stated that ballots will be counted the following week for the election to Mr. Fortunato's seat. She requested that a Trustee be present while these ballots are counted.

Mr. Bayne asked if candidates or their representatives would be allowed to be present while ballots are counted. Ms. Wenguer confirmed this, noting that when a time is set during which the ballots will be counted, the candidates will be notified so they or their representatives may be in attendance.

It was determined that Mr. Hole would assist with the counting of ballots, which would be done on Monday, December 17 at 10 a.m.

Ms. Cintron added that the Trustee Election procedures were updated to indicate that nominations for the seventh Trustee seat were closed as of the last Friday in October, which was Friday, October 26. Terms have been lengthened from two to four years.

Investment Workshop Date

Ms. Wenguer reported that the original proposed date of February 22, 2013 was not available. She advised that the remaining available dates are February 15 or 28. It was tentatively decided that the workshop would be held on February 28.

Mr. Bayne left the meeting at 2:20 p.m.

IMCA Consulting Certificate

Vice Chair Rudominer explained that he is planning to enroll in a self-study class which addresses several issues that are pertinent to Board members. A certificate is awarded upon completion of the class. He noted that the subject matter covered in the class is discussed beginning on p.45 of the members' information packets.

Budget Advisory Board

Ms. Wenguer noted that this issue was previously discussed during the meeting.

NEW BUSINESS:

Ms. Wenguer advised that the earlier discussion of the bill from Holland & Knight is related to a recurring issue that the Plan is experiencing with regard to the City: bills are not being paid in a timely manner. She explained that although the Board approves payment of certain bills during each meeting, the City can take up to three weeks to pay these bills. This has recently resulted in at least one late payment of a bill.

Mr. Wood advised that the City is presently completing year-end work, which could contribute to slower billing; however, if this has been an ongoing problem, he agreed it must be addressed. He stated he would get back to the Board on this issue.

FOR YOUR INFORMATION:

Cypen & Cypen Re: Phil Girrbach

Mr. Cypen informed the Board that Mr. Girrbach has gone before the City Commission to lodge complaints against the Board, primarily with regard to the number of doctors that reviewed his original claim. He recalled that Mr. Girrbach was originally granted his pension for non-service incurred disability. He concluded that the City has the authority to address this issue legislatively if they wish.

PJ Wilcoxson Request

Mr. Cypen continued that Mr. Wilcoxson has requested a formal hearing, which will be granted once the discovery phase is complete and depositions have concluded by Mr. Wilcoxson's counsel.

Frank Colleran Request

Mr. Cypen stated that Mr. Colleran has also requested a formal hearing. The Board is still waiting for a decision pending in the Florida Supreme Court, which may be instructive.

He added that the request made at a previous Board meeting by retiree Randy Trout is still being investigated.

Frank Colleran, retiree, stated that Board attorneys from the firm of Klausner & Kaufman have submitted the opinion that he is not entitled to an increase in his benefits due to a waiver he had signed upon retirement. Mr. Naugle explained that a pending decision from the Florida Supreme Court could result in a change to Mr. Colleran's case.

Chair Dew added that if the Board proceeds without hearing the opinion from the Florida Supreme Court, it could result in additional costs to the Plan that could jeopardize the possibility of any future gains, including COLA, for

all Plan members. Awaiting the Supreme Court decision could help minimize costs to the Plan. Mr. Cypen stated that this issue could also be affected by the bond covenant discussed earlier in the meeting, as either a majority plus one or a unanimous vote would be required of the City Commission to grant any further benefits that are not fully funded.

Mr. Courtney asserted that the benefit requested by Mr. Colleran and others similarly affected should have already been granted rather than having to wait for the decision by the Florida Supreme Court. Mr. Cypen said if the Florida Supreme Court rules that Mr. Colleran and others are entitled to this benefit, it will be granted to them.

Mr. Hole recalled that there had been discussion at the November meeting with regard to inviting a member of the City's Human Resources Department to a future meeting in order to discuss benefits. The suggestion was also made that a City representative could be invited to discuss telephone and internet services and costs. Ms. Wenguer said representatives from the City's IT Department were aware of both this invitation and her complaints, and have requested more time to test the system and determine what the problem would be. She concluded that Human Resources made a similar request, as the City is currently going through open enrollment and their department is very busy. The request will be extended once more in February 2013.

The Board determined that their communication to the City Commission would include the Plan's receipt of the PPCC award, and that Board members will be attending the Budget Advisory Board meeting on January 16, 2013.

There being no further business to come before the Board at this time, the meeting was adjourned at 2:30 p.m.

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